☘ HJ O'NEIL COMMODITY CONSULTING

Transportation and Export Report for 14 January 2021

The FFA Paper traders in Dry-Bulk markets got fired up this week and ran values up faster than the Baltic Indices or physical players could keep up. It is a new year with great expectations. Though rates are higher for the week, they have pulled back a little from their mid-week highs. Capesize vessel markets led the charge up and back. The expectation is that China will need larger imports of coal and iron ore in 2021. Panamax and Supramax freight mostly followed the Capes and have been encouraged by large grain exports.

BALTIC DRY-BULK PANAMAX INDEX CHANGES

Panamax Ocean Freight Indices					
14-Jan-2021		This Week	Last Week	Difference	Percent Change
P2A : Gulf/Atlantic - Japan	per day	23945	22582	1,363	6.0%
P3A - PNW/Pacific -Korea	per day	12920	11574	1,346	11.6%
S1C -USGULF-China-So.Japan	per day	24436	24853	-417	-1.7%
P7- Trial- Miss. River - Qingdao	per ton	46.850	43.543	3.3	7.6%
P8- Trial- Santos - Qingdao	per ton	35.543	33.343	2.2	6.6%

Recent history of freight values for Capesize vessels of Iron-Ore from West Australia to South China:

Four weeks ago:	\$6.50-\$7.00
Three weeks ago:	\$6.90-\$7.10
Two weeks ago:	\$7.15-\$7.45
One week ago:	\$7.45-\$8.95
This week	\$9.85-\$10.35

US Vessel Line-Ups/Estimated vessel berthing delays at U.S. Export Grain Elevators:

Mississippi River:	(10 elevators)	3-12 days (1 facility not currently operating)
Miss. River Mid-Stream loaders:	(6+ Rigs)	0-3 days
Texas Gulf	(6 elevators)	3-15 days (only 1 facility over 5 days)
Pacific Northwest:	(9 elevators)	3-8 days

Panamax Market Spreads to Asia -China					
14-Jan-2021	PNW	GULF	Bushel Spread	MT Spread	Advantage
CORN	1.49	1.03	0.46	\$18.11	PNW
SOYBEANS	1.25	1.03	0.22	\$8.66	PNW
OCEAN FREIGHT	\$25.00	\$44.75	.50-.54	\$19.75	February

Recent Reported Vessel Fixtures:

** Below rates are estimates for the nearby-30-day slots. 60-90 days forward rates will usually be higher.

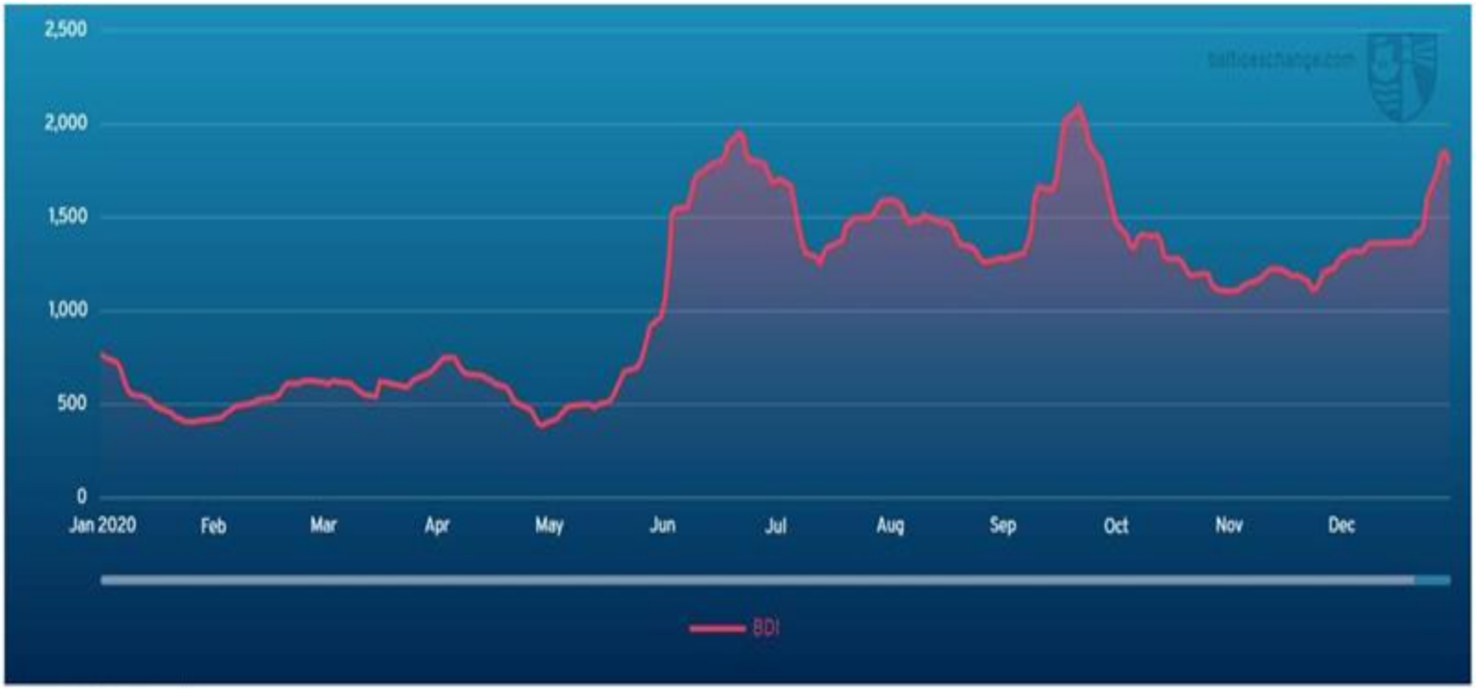
Soybean Panamax USG to Spain is running $23.75-$25.00/mt.

Soybean Brazil to Spain about $27.50-29.00/mt.

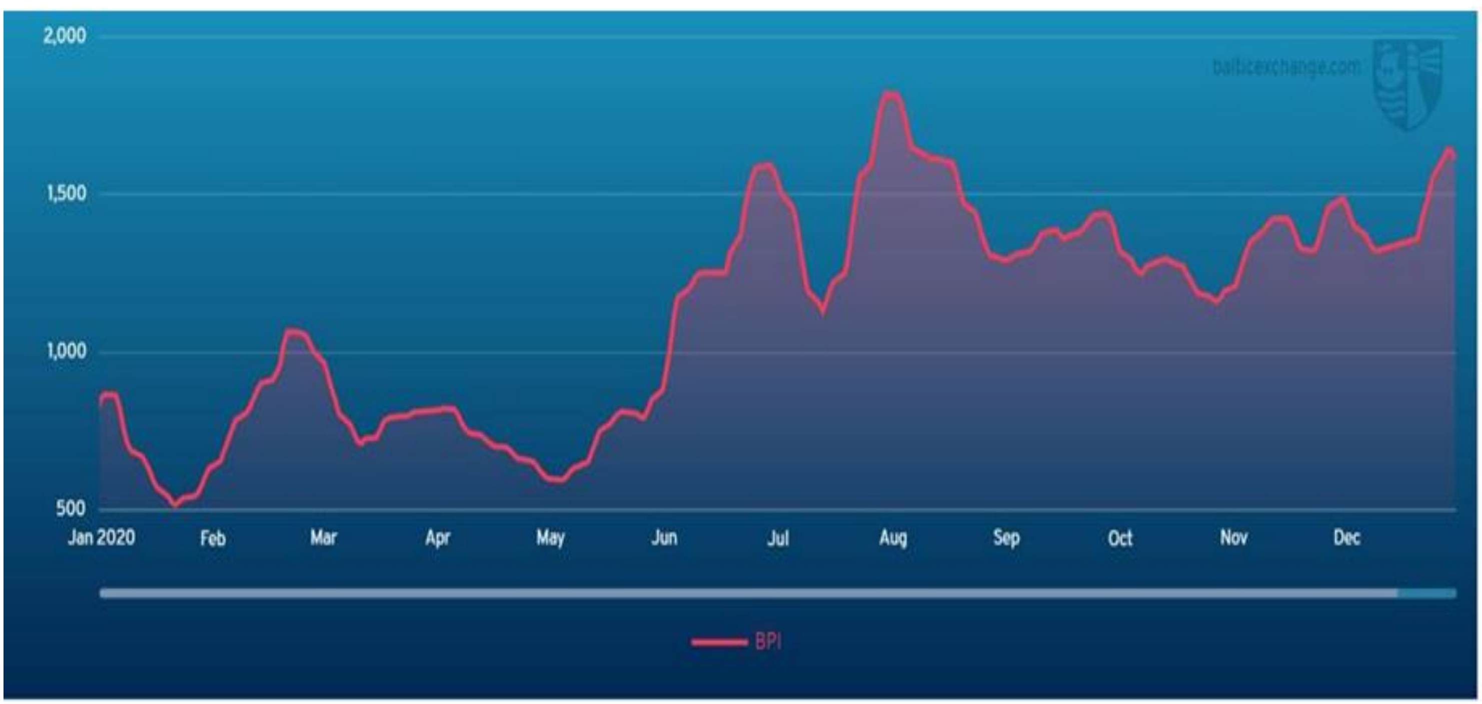
30,000 mt Corn Northern Brazil to Vera Cruz, Mexico $22.00-$23.00/mt .To U.S. E/C about $24.50-$25.50/mt

Route and Vessel Size	Current Week USD/MT	Change from previous week	Remarks
55,000 U.S. Gulf-Japan	$46.00	Up $2.75	Handymax $46.50 mt
55,000 U.S. PNW- Japan	$26.50	Up $2.00	Handymax $27.00 mt
66,000 U.S. Gulf – China PNW to China	$44.75 $25.00	Up $3.25 Up $1.50	North China
25,000 U.S. Gulf- Veracruz, México	$20.00	Up $1.00	3,000 MT daily discharge rate
30-36,000+ U.S. Gulf- Veracruz, México	$16.75	Up $1.00	Deep draft and 6,000 MT per day discharge rate.
30-38,000 U.S. Gulf- Colombia	$22.75	Up $1.50	West Coast Colombia at $33.50
East Coast from USG Colombia E/C from Argentina	$33.25 $34.50		USG to E/C 50,000 mt at $18.50
43-45,000 U.S. Gulf - Guatemala	$30.00	Up $1.50	Acajutla/Quetzal - 8,000 out
26-30,000 U.S. Gulf – Algeria	$42.75 $44.75	Up $2.50	8,000 mt daily discharge 3,000 mt daily discharge
26-30,000 US Gulf-Morocco	$43.75	Up $2.50	5,000 discharge rate
55-60,000 U.S. Gulf –Egypt PNW to Egypt	$33.00 $33.00	Up $2.50	60,000 -55,000 mt -Egypt Romania- Russia- Ukraine $14.00-$14.00 -$14.50 France $19.50
60-70,000 U.S. Gulf – Europe – Rotterdam	$20.50	Up $1.00	Handymax at +$1.75-$2.00 more
Brazil, Santos – China Brazil, Santos – China Northern Coast Brazil	$35.75 $35.25 $36.25	Up $1.25	54-59,000 Supramax-Panamax 60-66,000 Post Panamax Upriver No. Brazil Plus -55,000 mt Plus $7.50/mt
56-60,000 Argentina/Rosario-China Deep Draft	$41.50	Up $2.50	Upriver with BB Top Off Plus $3.75 mt

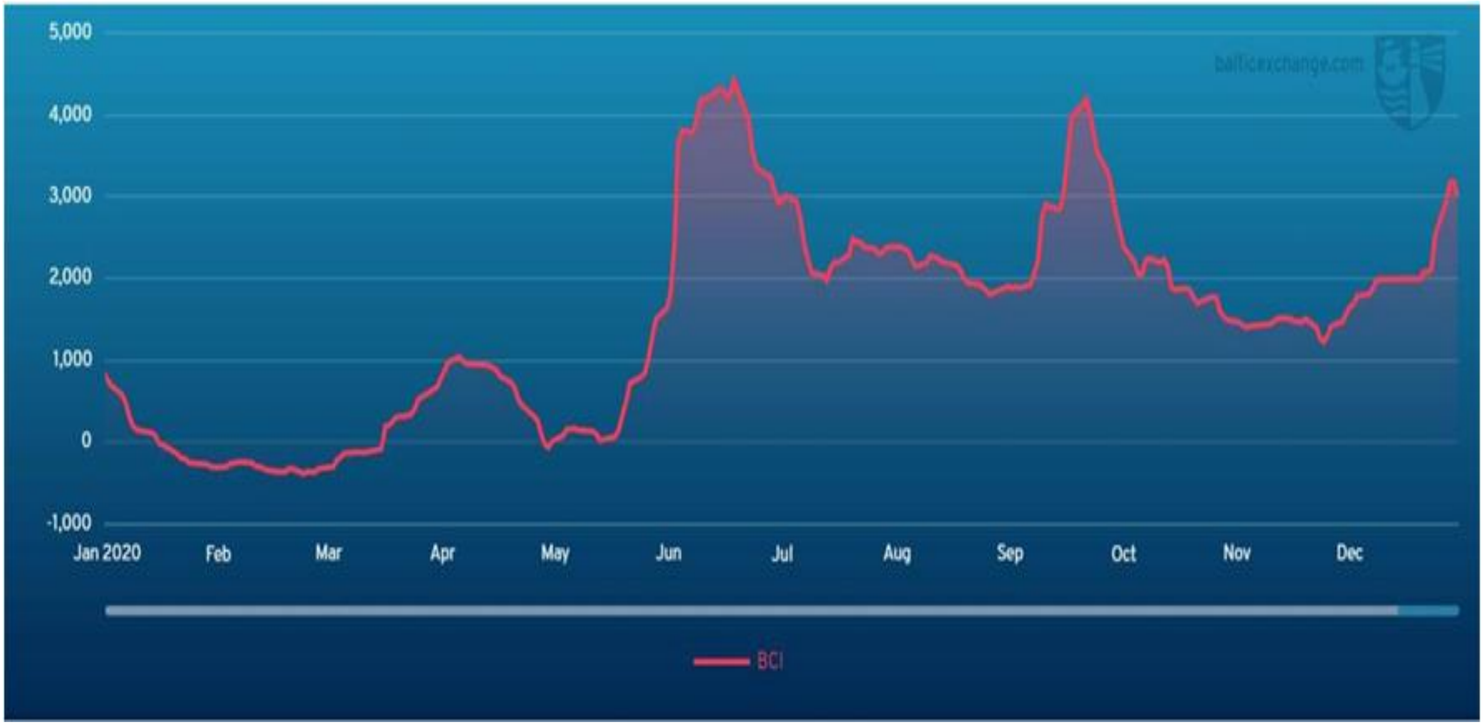
The Baltic Dry Freight Index

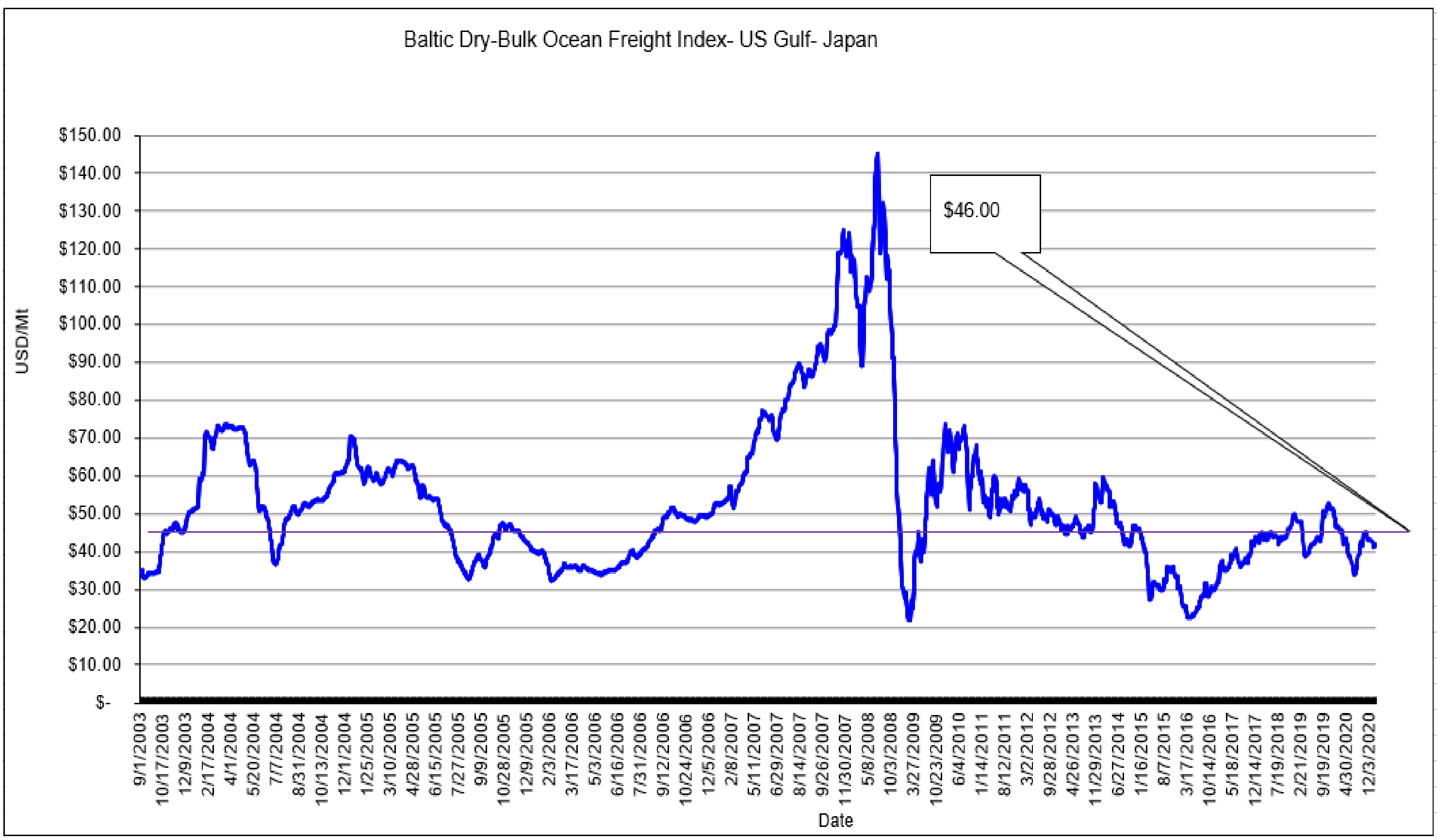


Baltic Panamax Index



Capesize Market Chart





China Import Dry Bulk Freight Index
2021-01-14

Description	Size MT	Cargo/Vessel Size	Unit	Rate	Change
Composite Index			Point	1013.55	-25.13
Iron ore Freight Index			Point	1051.72	-54.24
Dampier(West Australia)-Qingdao (China)	170000/10%	Iron ore	$/ton	9.794	-0.573
Soybean Freight Index			Point	1019.33	1.04
Santos(Brazil)— North China	66000/10%	Soybean	$/ton	34.875	-0.05
Santos(Brazil)—North China	60000/10%	Soybean	$/ton	35.367	0.2
Tacoma(West America)—North China	63000/10%	Soybean	$/ton	24.917	0.083
Mississippi(US Gulf)—North China	66000/10%	Soybean	$/ton	44.85	0.158

14 January 2021 U.S. FOB Vessel Export Market Values:

U.S. Yellow Corn (USD/MT) FOB Vessel				
#2 YC	GULF # 2 YC		PNW # 3 YC	
Max. 14.5% moisture	BASIS	FLAT PRICE	BASIS	FLAT PRICE
Feb.	1.03	**$250.87**	1.49	**$268.98**
Mar.	0.99	**$249.30**	1.38	**$264.65**
Apr.	0.93	**$248.31**	1.37	**$265.63**
May	0.90	**$247.13**	1.34	**$264.45**
June	0.85	**$243.98**	1.30	**$261.70**
July	0.83	**$243.19**	1.31	**$262.09**

The Gulf spread between #2 & #3 YC is currently about .03 cents per bushel (1.18/mt) at USG but is out to .06/bushel in the PNW.

SORGHUM (USD/MT) FOB VESSEL		
#2 YGS Fob Vessel	TEXAS Gulf	
Max. 14.0% moisture	BASIS	FLAT PRICE
Feb.	3.10	**$332.36**
Mar.	3.05	**$330.39**
Apr.	3.05	**$331.77**
May	3.05	**$331.77**
June	3.05	**$330.59**

Fob vessel Texas Gulf #2 Sorghum is about 132% the value of #2 Yellow Corn at NOLA.
And is over the price of Fob SRW Wheat at the U.S. Gulf.

U.S. SRW Wheat Fob Vessel at the Center U.S. Gulf

SRW Wheat	USD/MT	Fob Vessel	US Gulf	
	Feb.	**March**	**Apr.**	**May**
FOB U.S. GULF	$298.36	$297.62	$290.64	$286.97
Basis	1.42	1.40	1.20	1.10
WH	6.7000			.
WK	6.7100			
WN	6.5500			

14-Jan-2021 CME Corn Futures	Close Bushel	Close MT.	Last Week. Bushel	Last Week. Bu. Diff.	Last Week MT	MT Diff.
Mar.	$ 5.3425	$ 210.32	$ 4.8400	0.5025	$ 190.54	$ 19.78
May	$ 5.3775	$ 211.70	$ 4.8325	0.5450	$ 190.25	$ 21.46
July	$ 5.3475	$ 210.52	$ 4.8025	0.5450	$ 189.06	$ 21.46
Sept.	$ 4.8400	$ 190.54	$ 4.4650	0.3750	$ 175.78	$ 14.76
Dec.	$ 4.5775	$ 180.21	$ 4.3475	0.2300	$ 171.15	$ 9.05
Mar.	$ 4.6275	$ 182.17	$ 4.4025	0.2250	$ 173.32	$ 8.86

CBOT March 2021 (CH21) CORN Futures Chart –

CME/CBOT March 2021 (WH21) SRW Wheat Futures Chart –

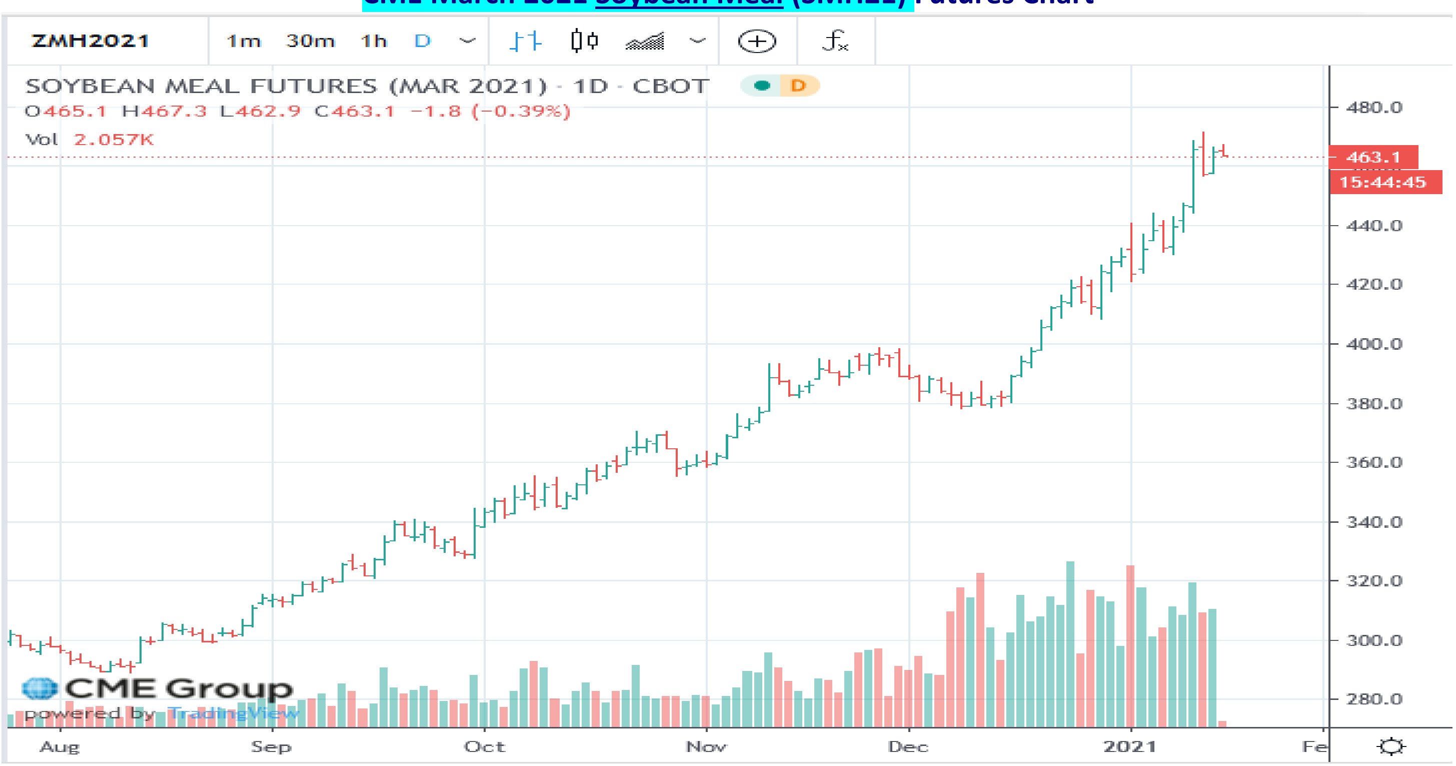
U.S. Soybean and SBM Markets Fob Vessel:

U.S. Yellow Soybeans (USD/MT) FOB Vessel				
# 2 YSB	U.S. Gulf #2 YSB		PNW #2 YSB	
14.0 % Moisture	Basis	Flat Price	Basis	Flat Price
Feb.	1.03	**$563.46**	1.25	**$571.54**
Mar.	1.00	**$562.36**	1.25	**$571.54**
Apr.	0.95	**$559.51**	1.25	**$570.53**
May	0.95	**$559.51**	1.25	**$570.53**
June	1.00	**$556.02**	1.33	**$568.14**
Soybean Futures				
Mar.	$ 14.3050			
May	$ 14.2775			
July	$ 14.1325			
Aug.	$ 13.6000			
Sept.	$ 12.5675			
Nov.	$ 11.9650			

U.S. SBM (USD/MT) FOB Vessel		
Fob U.S. Gulf Port	47.5 Pro. SBM	
max 12.5 % moisture	Basis	Flat Price
Feb.	45.00	**$ 562.16**
Mar.	40.00	**$ 556.65**
Apr.	40.00	**$ 551.14**
May	40.00	**$ 551.14**
June	44.00	**$ 551.47**
SBM Futures		
SMH	$ 464.90	
SMK	$ 459.90	
SMN	$ 456.20	
SMQ	$ 441.50	
SMU	$ 419.20	
SMV	$ 395.40	

CME March 2021 Soybean (SH21) Futures Chart:

CME March 2021 Soybean Meal (SMH21) Futures Chart



U.S. EXPORT STATISTICS: Report Activity as of Week Ending 31 December 2020

Thursday-Weekly U.S. Export Sales

Commodity	New Sales (000 MT)	YTD Export Commitments **(000 MT)	Total Projected Export Program for Year (000 MT)	Percent of Export Projection	Total Sales for Next Marketing Year '21-22 (000 MT)
Corn	**841.0**	**43,944.4**	**67,310**	**65%**	**757.0**
Sorghum	**3.7**	**5,087.9**	**6,990**	**73%**	**478.0**
Soybeans	**478.9**	**54,768.0**	**59,880**	**91%**	**891.6**
Wheat	**314.3**	**20,838.4**	**26,810**	**78%**	**238.0**
Barley	**0.0**	**30.6**	**170**	**18%**	**12.5**

U.S. EXPORT INSPECTIONS:

Monday's report 11 January 2021 for the Export week ending 07 January 2021

	Export Inspections		Current Market Year YTD	Previous Year to Date	2020/21 YTD as Percent of 2019/20 YTD
	This Week	Previous Week			
Corn	**1,130,744**	**1,089,440**	**16,215,819**	**9,086,667**	**178%**
Sorghum	**133,461**	**156,802**	**2,479,272**	**957,753**	**259%**
Soybeans	**1,778,581**	**1,760,974**	**40,828,732**	**22,972,099**	**178%**
Wheat	**279,390**	**475,524**	**15,290,265**	**15,469,064**	**99%**
Barley	**0**	**0**	**20,944**	**16,928**	**124%**

For further Export Sales details: http://www.fas.usda.gov/export-sales/esrd1.html

U.S. EXPORT INSPECTIONS:

Monday's report 11 January 2021 for the Export week ending 07 January 2021

Last Week								
(Metric Tons)	YC	%	WC	%	Sorghum	%	Soybeans	%
Lakes	0	0%	0	0%	0	0%	0	0%
Atlantic	0	0%	0	0%	0	0%	9,280	1%
Gulf	669,839	60%	14,039	74%	133,241	100%	1,228,056	69%
PNW	342,886	31%	0	0%	0	0%	411,307	23%
Interior Export Rail	98,990	9%	4,990	26%	220	0%	129,938	7%
Metric Tons	1,111,715		19,029		133,461		1,778,581	

Sorghum Shipments:

metric tons	
133,461	China
133,461	Total

White Corn Shipments:

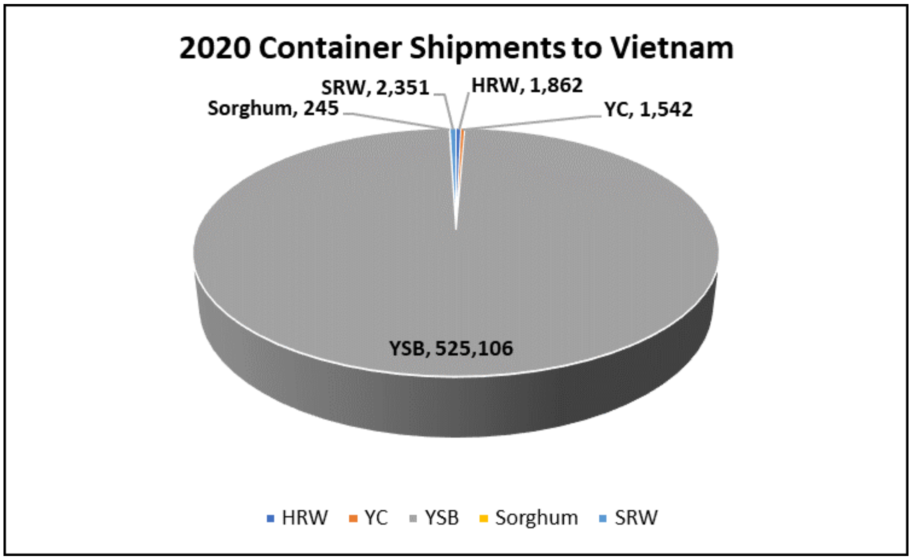
metric tons	
4,990	Mexico
3,168	Japan
10,871	Colombia
19,029	Total

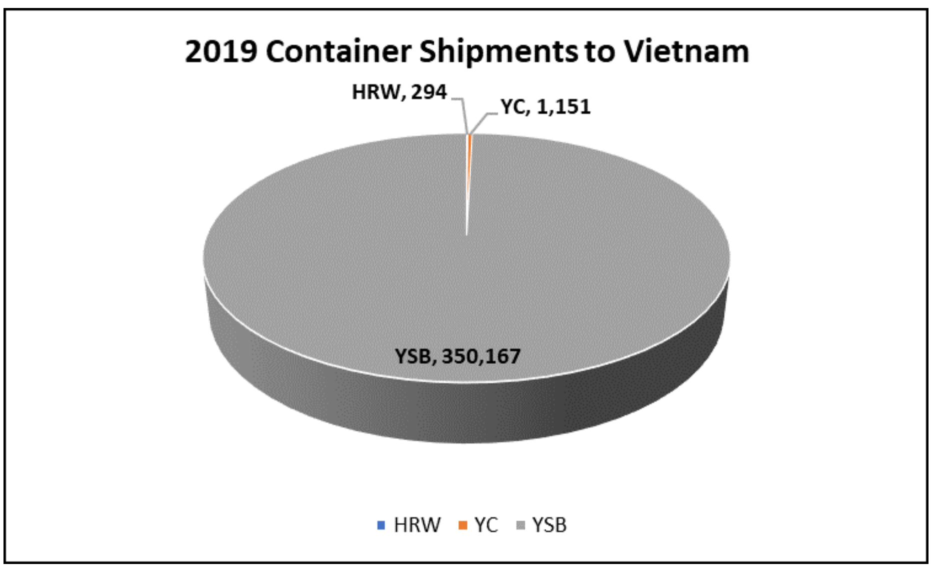
Export Inspection Highlights

Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. (This usually covers a 2-5-week prior time frame).*

CONTAINER SHIPMENTS of GRAIN									
USDA Grain Inspections Report:			7-Jan-2021						
Last Week	metric tons								MT
	YC	WC	YSB	SRW	NS	SWH	HRW	Sorghum	TOTAL
China			2,668					220	2,888
Taiwan	14,152		31,816						45,968
Hong Kong	342								342
Costa Rica									0
Indonesia			11,289						11,289
French Poly									0
Japan			782						782
Korea Rep.	24		1,764						1,788
Nepal			979						979
Malaysia			1,420						1,420
Cambodia									0
Philippines			489						489
Thailand			8,814						8,814
Senegal									0
Tunisia									0
Bangladesh			1,910						1,910
Burma			538						538
Vietnam			6,733						6,733
Sub Total:	**14,518**	**0**	**69,202**	**0**	**0**	**0**	**0**	**220**	**83,940**
USDA Corrections/Additions to previous reports:									
Taiwan	514		6,196						6,710
China			4,628					612	5,240
Hong Kong									0
Korea Rep.									0
Cambodia									0
Japan									0
Philippines									0
Indonesia			2,767						2,767
Malaysia			490						490
Thailand			7,589						7,589
Vietnam			1,958						1,958
Bangladesh			980						980
Costa Rica									0
Sub Total:	514	0	24,608	0	0	0	0	612	25,734
Mt. Grand Total	**15,032**	**0**	**93,810**	**0**	**0**	**0**	**0**	**832**	**109,674**
Number of Containers	654	0	4,079	0	0	0	0	36	

Jan - Dec 2019 Annual Totals versus 2020 Annual Total Container Shipments (in MT)





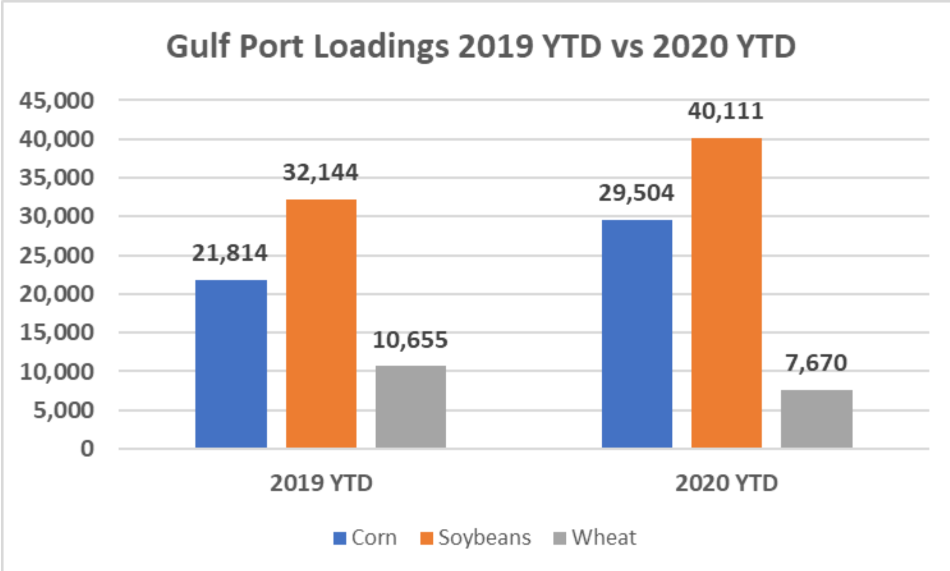
Grain Inspections for Export by U.S. Port Regions:
U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

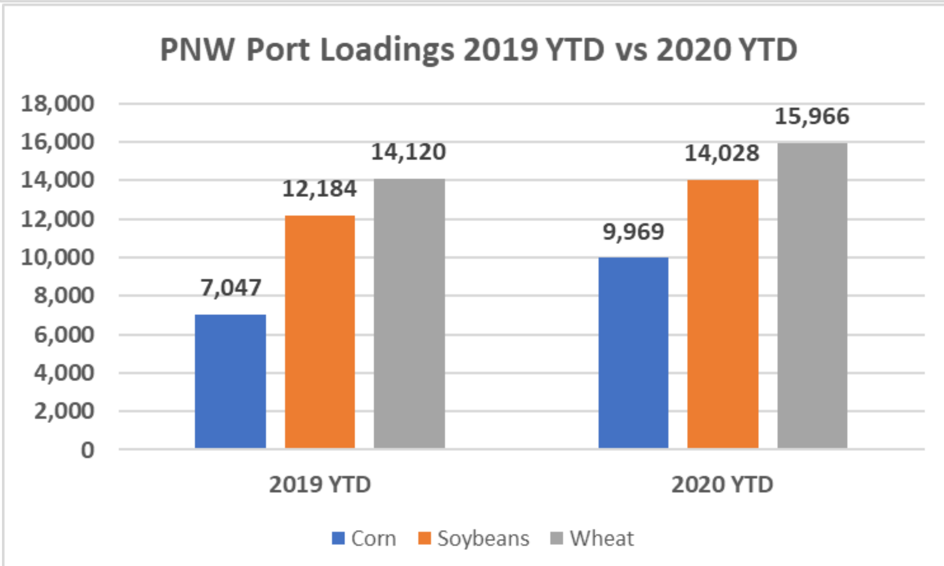
PORT LOADINGS US Gulf				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
GULF				
2019 YTD	21,814	32,144	10,655	64,613
2020 YTD	29,504	40,111	7,670	77,285
2020 as % of 2019	135%	125%	72%	120%

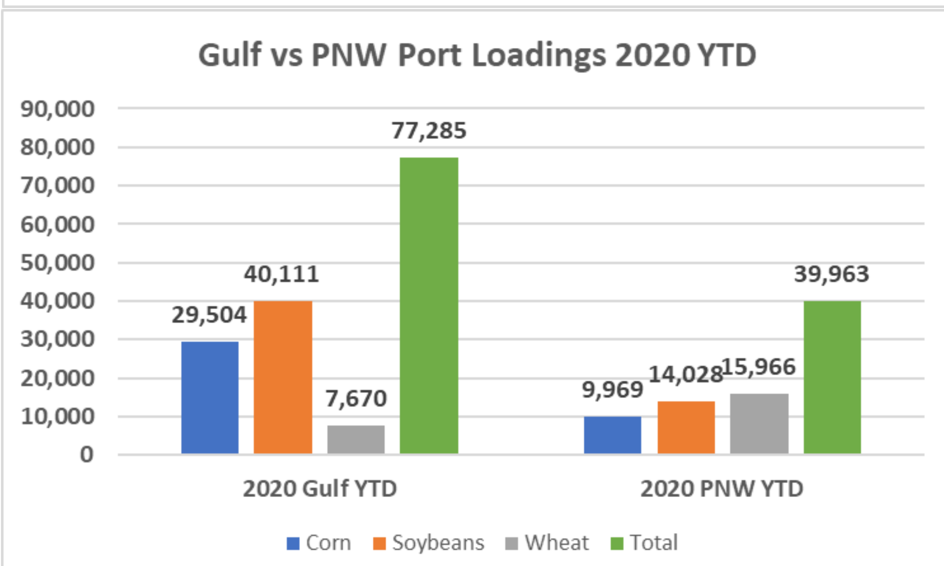
PORT LOADINGS US PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
PNW				
2019 YTD	7,047	12,184	14,120	33,351
2020 YTD	9,969	14,028	15,966	39,963
2020 as % of 2019	141%	115%	113%	120%

PORT LOADINGS GULF vs. PNW				
(1,000 MT)	CORN	SOYBEANS	WHEAT	TOTAL
2020 Gulf YTD	29,504	40,111	7,670	77,285
2020 PNW YTD	9,969	14,028	15,966	39,963
TOTAL	39,473	54,139	23,636	117,248
Gulf Percentage	75%	74%	32%	66%
PNW Percentage	25%	26%	68%	34%

Grain Inspections for Export by U.S. Port Regions (1,000MT): U.S. Gulf and Pacific Northwest 2019 YTD vs. 2020 YTD

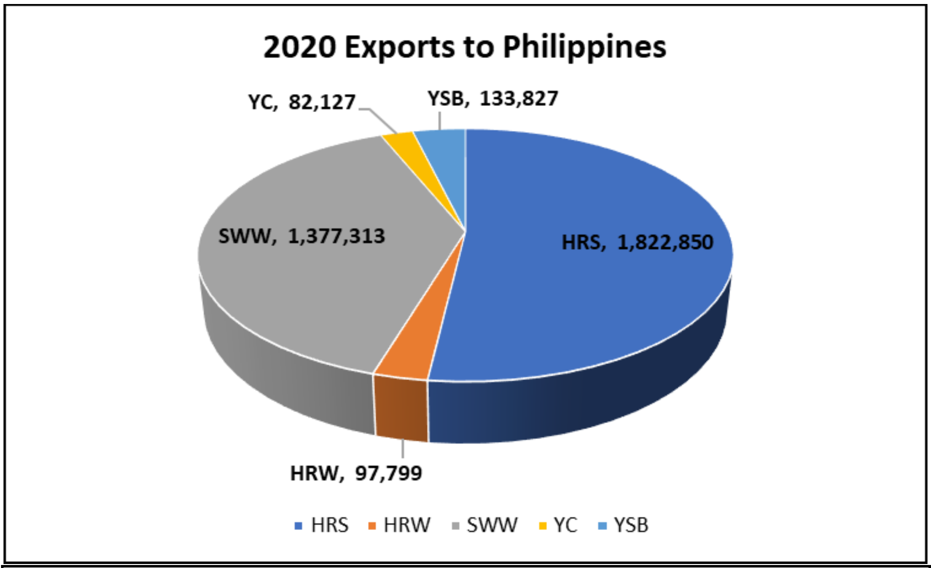


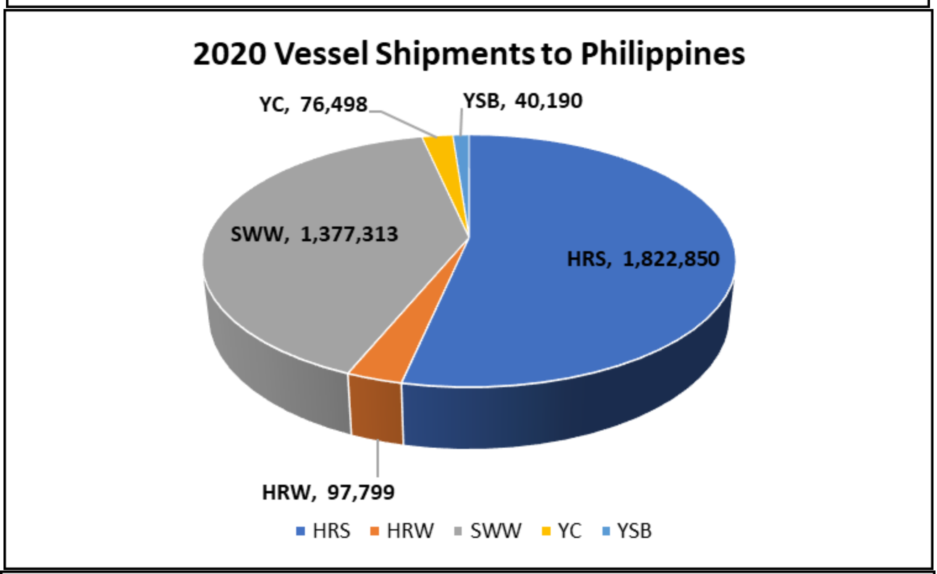


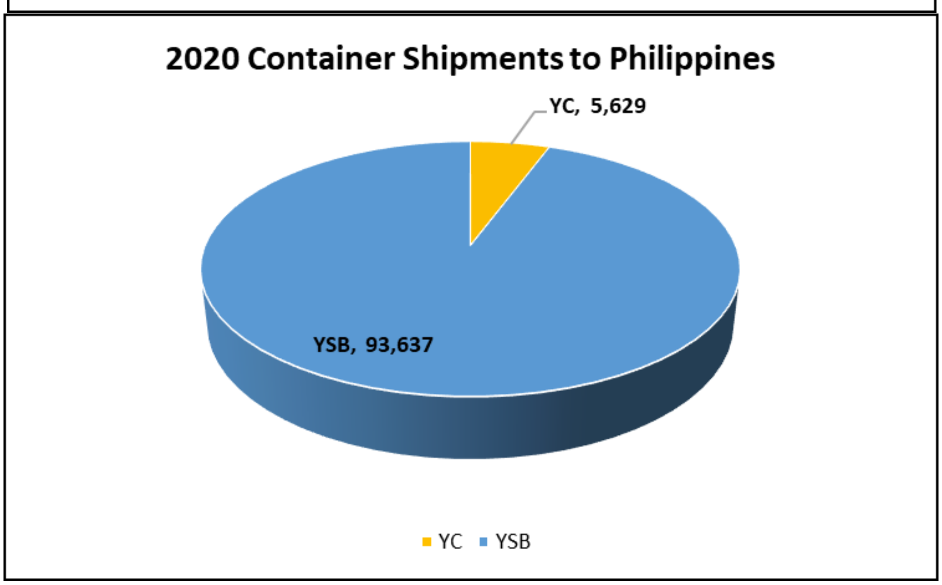


Source: USDA-data

<u>2020 Total Grain Exports reported by USDA (in MT)</u>







*Please keep in mind that USDA does not report DDGS sales

Shipping News

Dry Bulk ETF @DryBulkETF · 2h

Dry bulk market seems a bit bearish: The prompt Capesize futures contract (Feb) is now trading at the steepest discount in history versus the index, now almost 50% below index (26400 vs 13250) with 2 1/2 weeks till pricing. #shipping #drybulk

1 3 8

Greg Knowler @greg_knowler · 4h

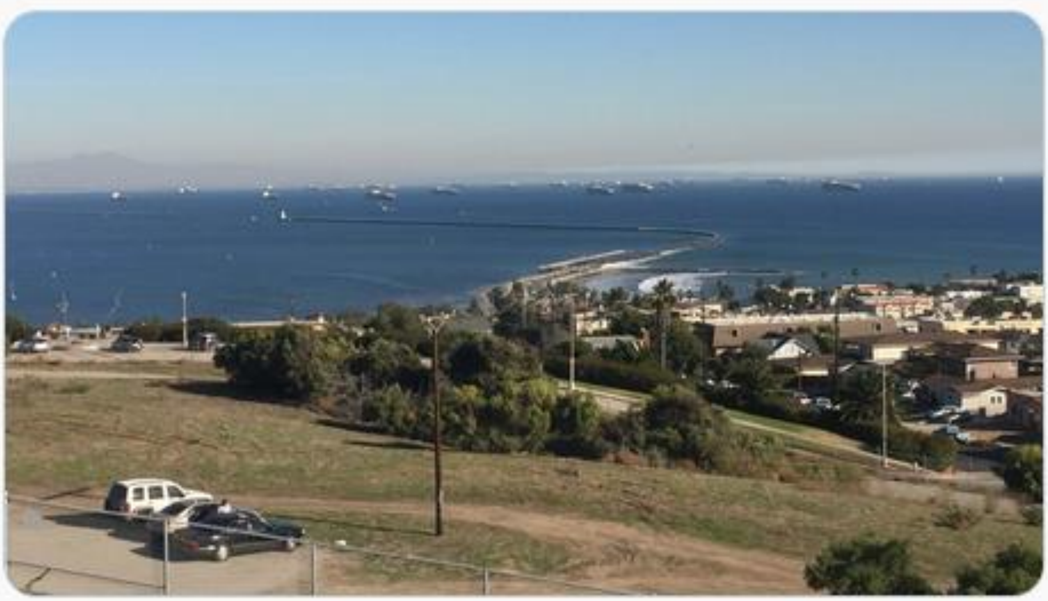
You have to give credit to carrier creativity. From blank sailings, we then had vessel 'slidings,' which are blank sailings but not really, and now we have sailings that are 'structural omissions'

1 5

Ships at anchor off of Southenrn California.

Marine Exchange @MXSOCAL · 4h

In case you were wondering if all those ships anchored off our coast are damaging the environment: All ships underway or anchored within 200 miles of land must use 0.1% very low sulfur fuel, which reduces emissions. "Are these ships are pumping sewage?" No.



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Lloyd's List @LloydsList · 1h

Hapag-Lloyd drops west coast call as congestion continues

Hapag-Lloyd drops west coast call as congestion continues

Hapag-Lloyd is dropping one of its calls to Long Beach until further notice due to the ongoing congestion problem faced by the US west coast port

lloydslist.maritimeintelligence.informa.com

Greg Miller @GMJournalist · 1h

Inside California's colossal container-ship traffic jam: 30+ box ships stuck at anchor off LA/LB. Congestion due to 2020-21 import surge/COVID is even worse than during 2014-15 labor unrest. Here's the story with latest info + outlook #containers #shipping

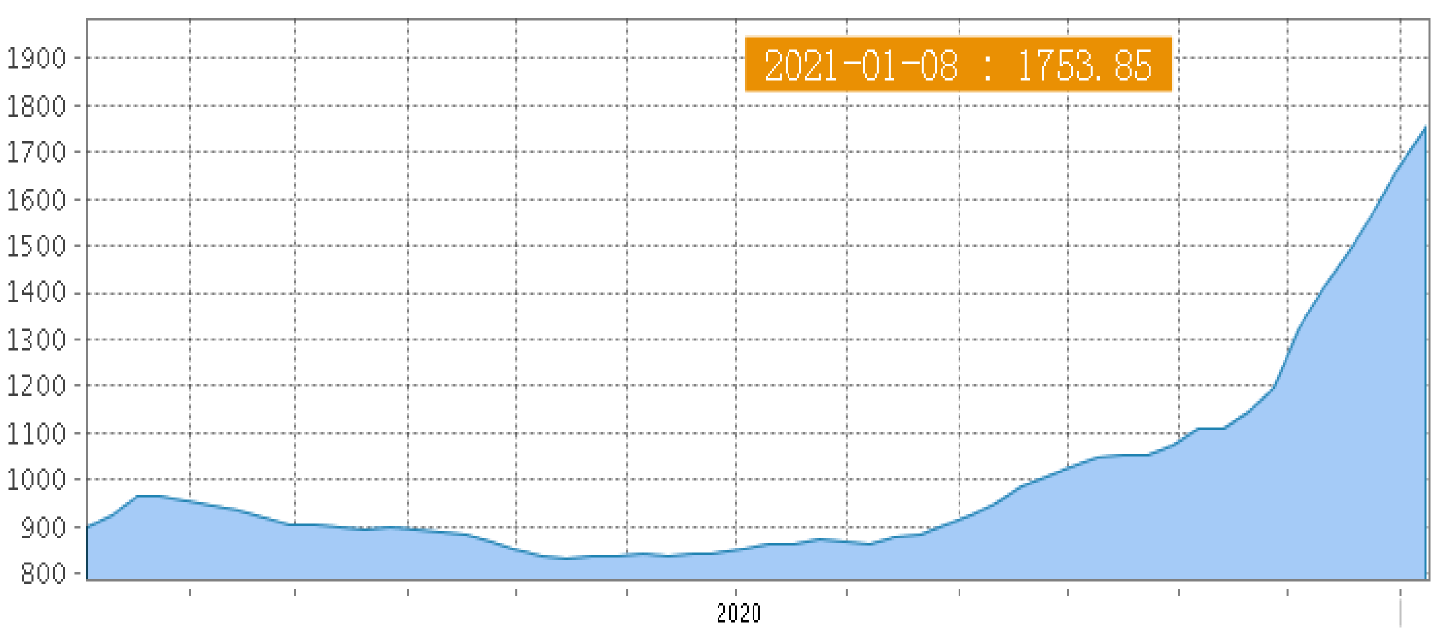
Inside California's colossal container-ship traffic jam - FreightWaves

There are more container ships stuck off California than at any time since 2004. What's behind the pileup? When can it be cleared?

freightwaves.com

China Import Dry Bulk Freight Index

China Containerized Freight Index



U.S. RIVER BARGE FREIGHT
Current Barge Freight for Placement Last Half February 2021

Placement LH February 2021	% of		Corn	Soybeans-Wheat
	Tariff	MT	BU	BU
Upper Mississippi	Closed	$ -	0.00	0.00
Illinois River (Pekin and South)	435	$29.68	0.75	0.81
Mid-Mississippi	Closed	$ -	0.00	0.00
Lower Ohio	305	$14.99	0.38	0.41
St. Louis	290	$12.75	0.32	0.35

Secondary Rail Car Market for car placement period: Last Half February 2021.

Secondary Rail Car Market Placement LH. February 2021	BID USD	ASK USD	BID BU.	ASK BU.	BID MT	ASK MT
BNSF Shutle Trains	$ 550.00	$ 750.00	$ 0.14	$ 0.19	$ 5.41	$ 7.38
UPRR Shuttle Trains	$ 450.00	$ 650.00	$ 0.11	$ 0.16	$ 4.43	$ 6.40

Best Regards,

Jay
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